

BUDGET AND PROGRAM

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Congressional leaders have set a target date for adjournment this year. It is November 21...a little more than a month away.

This could be an important day for you...if they make it. It means your appropriations would be approved and the sequestration issue settled. You could know how much money you have for the year.

But the problem is...it may be an impossible deadline. One Hill staffer has said he doesn't believe it can happen. Another commented, "It's a fantasy."

Take a look at the major work ahead. The only key issue that has been settled is the debt limit. You won't be plagued with the possibility of default...the government can continue another 18 months before hitting the debt ceiling again.

But in passing that bill...Congress dug another hole for itself. The possibility of sequestration was revived...something that will haunt you, the White House, and the Hill itself.

Furthermore, all the appropriations have to be agreed upon, reconciliation attempted, and other difficult items handled, such as welfare reform, defense authorization, aid for the contras, nuclear waste disposal, trade bills, housing.

And if that isn't enough...almost any of them could invite a veto. Negotiations will take a while.

So don't expect your friends on the Hill to disappear before Thanksgiving. They may be around until Christmas.

The next couple of months will be even busier than usual...for you. Not only do you have the OMB FY 1989 review, but there are some other deadlines. Such as:

October 15 -- Congressional Budget Office published its initial FY 1988 sequestration report.

October 20 -- OMB issues its initial sequestration report.

October 20 -- President issues initial order withholding FY 1988 funds.

November 4 -- President forwards a detailed message to Congress regarding the initial order.

November 10 -- FY 1988 continuing resolution runs out...and another will be needed. Congress will also be struggling with reconciliation.

November 15 -- CBO issues its revised sequestration report.

November 20 -- OMB issues final report which becomes basis of President's sequestration order.

November 20 -- President issues final sequestration order, if no reconciliation bill has passed.

November 21 -- Congress goes home...maybe. *h!*

Month of November -- You will be responding to OMB marks on the FY 1989 estimates. Good luck.

Defense Department has decided to exempt military pay from across-the-board Gramm-Rudman cuts...should sequestration become necessary. Other elements of the defense budget will be hit harder, to make up for this exemption.

There is little doubt that Congress and the White House have plenty of incentive to avoid automatic sequestration. There will be pressure to agree on a reconciliation bill that increases revenues and reduces some spending.

House and Senate may wait until the last minute...but it seems likely that reconciliation legislation will be approved. Hopefully, it will be a bill the President can sign. If this happens, you can breathe more easily.

But there could be some bad moments along the way.

National Bureau of Standards...will be changing its personnel system on January 1, 1988.

This move stems from the agency's FY 1987 authorization act which required it to work with the Office of Personnel Management in designing a demonstration project. The test is to last five years and will include all white collar employees at the Bureau of Standards.

You may be interested in some aspects of the system. It is intended to "attract highly qualified candidates, motivate employees, and retain successful performers."

The 15 GS grades are consolidated into just 5 pay bands. For the scientific and engineering career path, the relationship is as follows:

| <u>Older Grades</u> | <u>New Pay Bands</u> |
|---------------------|----------------------|
| GS-1 through GS-6 | I |
| GS-7 through GS-10 | II |
| GS-11 through GS-12 | III |
| GS-13 through GS-14 | IV |
| GS-15 | V |

Employees are to be evaluated under a performance appraisal system that "uses peer comparison and ranking wherever appropriate."

The Director of the National Bureau of Standards...will make surveys of salaries and benefits in other similar organizations to determine overall increases required in pay levels at the agency. In making these pay analyses, the Director will consider all elements, including basic pay, bonuses, allowances, retirement and leave benefits, as well as health and life insurance.

Once the appropriate levels have been decided, he has authority under the law to determine the annual increase in pay, subject only to availability of funds.

However, despite this authority, the test plan provides for "budget neutrality," under which total payroll will be no greater than under the existing system, so his discretion is significantly restricted.

Sabbaticals may be granted...consistent with those for the Senior Executive Service.

Recruiting and retention allowances may be paid...up to \$10,000 per individual. Bureau of Standards will do its own examining and hiring under the plan, rather than working through OPM.

The system is designed for use "by any agency." If you are interested in checking it out in more detail, see the Federal Register of October 2, 1987, at page 37082.